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Abstract of Diploma Thesis

Business Software Piracy

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Summary

This study is focused on business software piracy which means piracy of the software by legal entities. It summarizes efforts to combat software piracy which include laws and increased efforts enforce copyright protection in Russian Federation. The work has also application to the firm attempting to raise risk of pirating through litigation against offenders. It describes characteristics of legal entities that use the software in order to identify the weaknesses and to suggest improvements on the anti-piracy strategies of selected developer company.

Survey data was collected from two hundred Russian companies. The result helps characterize the product-market contexts within which protection is most helpful to minimize the piracy and with the regards to end user characteristics what improvement could be done.

Suggestion of new anti-piracy efforts both for Russia and selected company is the key findings of the work

Research objectives

This project focuses on the international dimension of the software piracy and the development of anti-piracy measurements. It presents analyzed characteristic of the companies. We addressed key issue, along lines of Russian Federation and selected companies' anti-piracy efforts that arise in the context.

The purpose of this work is considering the problem of "piracy" in the software industry. Main aims of the thesis are:

- To consider the scope of the piracy in Russia Federation;
- To determine the most common forms of software piracy in Russian Federation;
- To study the development of a system of international copyright protection and cooperation of Russian authorities with international copyright protection;
- To examine general characteristics of software asset management of certain group of Russian companies.

One of the goals of this paper is to examine the effects of software piracy on the economy of Russian Federation where with the collected data to compare side effects of software piracy with different countries and regions.

The main goal is to suggest new improvement to Russian business software anti-piracy measures after understanding of characteristics.

Methodology

Most common methods used in the thesis are qualitative methods. The theoretical part carried out by collecting and studying information from various sources. Mainly, these sources are books, publications, and scientific works, which are available either in hard or soft copies. Many internet sources were used especially for the analysis of the thesis. There are piracy reports of major intellectual property rights representatives.

Certain types of Quantitative research methods use in analysis part of the thesis. Trend analysis techniques was used to judge fluctuations trends of piracy and piracy related indicators. Ratio analysis was used to the loss of economy and its indicators due to piracy. The main tool is Excel where all the calculations are done. Data for calculations mainly gathered from internet reliable sources such as World Bank. Variables that created during this analysis, has aim to show the possible loss of the wealth due to software infringements. Methodology of the calculations is briefly explained in the related topics.

For survey part, qualitative method was used. All the respondents were provided with the same close ended questions where they had only four possible variants. In terms of software estate management of the company, variants were positively increasing from "A" to "D". For instance, to the question *"do you have license recorded in the company"* variants will be A- no; B-up to 50 percent; C- 75% and D- all are recorded.

The close ended questioner helped to respondents to understand questions better after review of the answer and for the authors it is easier to interpret the results

Communication tool with the respondents were email and phone.

Limitation

This study will focus on analyzing how Russia decreased piracy, and which policies and strategies were used from then to now. Research part will also include corporation of Russia with one the most popular software developer company. As this company is one of the largest software developers in the world, it is in their interest to decrease piracy in Russia to avoid loss from piracy.

Today, software asset management programs are one of the tools to avoid piracy within the organizations. Ela (fictional name of the company) is one of minor companies who offer these services to its customers completely for free. On one hand this assessment tool helps companies control costs and optimize existing investments; on the other this tool serves Ela for better understanding of the situation in the market and controlling the loss from the piracy.

Not all the countries could benefit Ela Software Asset Management as they did not implement it for all the countries in the world. The simple reason for that is Ela does not have local representative in all the countries.

Russia was perfect country to study because it is the company who succeed very good results on reduction of software piracy but still considered to be high and the selected tool to combat the software piracy exists and widely used.

Conclusion

In the beginning of the thesis there are set objectives of the study, and explanation of methods used throughout the thesis, in order to show the expected outcome.

As a base of the study readers were introduced with basic of software and software licensing types. The aim of this part is explanation of types of software such as commercial and non-commercial and their licensing requirement to give opportunity to readers imagine possible copyright or licensing infringements. Readers are able to match their imagination with the reality in the Chapter 3.3 where general types of software piracy are explained.

The most common ways of software piracy in Russia was explained from Chapter 3.3.1. This chapter aimed to determine the most common forms of possible software piracy in Russia. In the chapter, it is also explained major licensing infringement scenarios. There is also statistical evidence that is based on gradual surveys of Business Software Alliance that indicates software piracy rates in the country for ten years since 2003. The overall development of piracy shows that it is annually decreasing in Russia but still the results cannot be considered as a good. This is the reason that Russia cannot allow itself to reduce antipiracy effort in the country.

Not only for copyright holders but also for governments piracy is considered to be a negative development. This is why many countries put together their efforts to reduce intellectual property infringements. There are many organizations, alliances or other units specialize in combat of software piracy.

All the internationally adopted efforts is discussed together with the efforts of Russia in the Chapter 3.4. The aim the chapter is to study and analyze the development of these systems and cooperation between two systems.

In the first part of analysis, there we studied an economic impact of piracy on Russian Economy. In this part we proof the piracy is a negative development in an economy. Based on different criteria there were selected several regions with different and similar characteristics to compare effects with Russia. Basically, those companies are representatives of their regions. As none of them had identical parameters it was easy to see negative impacts on the calculations which were expressed mainly in graphs. Those graphs helped to reach the aim of the thesis by

showing comparative results amongst. Model of calculations was described to find possible loss to county GDP and all the revenue tax that could be gathered from additional taxes on sales of those products. It was also mentioned loss of workplaces only considering the software piracy since 2003. Never the less, it is impossible to calculate exact number of loss due to the reason that fields of economies are interconnected and if there is a loss in one there will be negative affect on others.

Indicators talks for their selves, none of the countries had positive impact of the piracy. In fact, all the countries suffered according to their piracy rates and sizes. It is important to mentions that, Russia is not in good position and it seems that need for piracy enforcements remains in the country.

There were selected special tool of antipiracy measure to understand characterizes of the companies in Russia. Via using Software Asset Management program of selected company there were conducted a survey about software estate management. The results in overall were not satisfactory. The respondents were small and medium companies and it could be the reason for bad results.

Studying of the characteristics of respondents and antipiracy enforcement of Russia, there were suggested improvements and updates for Russia. These improvements and updates have already been experienced in many of low piracy rate country, so it might be good for the government to consider them. These suggestions were main goal of the work and they are briefly described in the Chapter 5.1.

Selected Resources

Literature

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